



POSTAL SERVICE

39 CFR Part 111

New Pallet Preparation Standards for Periodicals

AGENCY: Postal Service™.

ACTION: Final rule.

SUMMARY: The Postal Service will revise *Mailing Standards of the United States Postal Service*, Domestic Mail Manual (DMM®) 705.8.10.2 to align pallet preparation standards for Periodicals with those currently required for Periodicals prepared in sacks and similar containers. The Postal Service will also align the preparation standards for merged pallets of Periodicals in DMM 705.10, 705.12 and 705.13 with other DMM sections by allowing mailers using these programs to place Periodicals bundles directly on mixed area distribution center (ADC) pallets.

DATES: *Effective date:* January 27, 2013.

FOR FURTHER INFORMATION CONTACT: Craig Vance at 202-268-7595, or Kevin Gunther at 202-268-7208.

SUPPLEMENTARY INFORMATION: The separation of mail destinating within the origin mixed ADC (OMX) surface reach of the mailer's plant (or entry point) from the remaining mixed ADC mail is crucial for maintaining acceptable service performance, for the benefit of both Periodicals customers and USPS® processing operations. To assure that these separations are being made, effective January 27, 2013, the Postal Service will revise DMM 705.8.10.2 to provide the option for mailers to prepare both the OMX and mixed ADC pallets at

no minimum volume threshold, and to require the preparation of both pallets at volumes of 100 pounds or more. Mailers will be required to sack the bundles if they choose not to prepare either pallet level below the 100-pound threshold. The Postal Service also will require that mailers prepare the mixed ADC pallet in accordance with labeling list L009 instead of the currently required L004.

In response to inquiries from the mailing industry, the Postal Service also will provide an option for mailers of merged pallets of Periodicals, prepared under DMM 705.10, 705.12 and 705.13, to place Periodicals bundles directly on OMX and mixed ADC pallets.

These changes will be effective January 27, 2013. However, to provide for the most expeditious processing of OMX and mixed ADC Periodicals mailpieces in USPS networks, the Postal Service strongly encourages mailers to begin using these new standards immediately.

Background

Prior to January 22, 2012, mailers were required to prepare bundles of flat-size Periodicals in mixed ADC sacks (or similar containers), labeled according to labeling list L009; and in OMX sacks (or similar containers), labeled according to labeling list L201. These standards assured that the OMX and the mixed ADC separations were always made, so the sacks that were prepared could then be presented directly for acceptance or placed on pallets in accordance with DMM 705.8.10.2.

On January 22, 2012, the Postal Service revised DMM 705.8.10.2 to allow mailers to place bundles of flat-size Periodicals directly onto mixed ADC and

OMX pallets, but retained the existing language describing these pallet levels as optional. The long-standing language that required the mixed ADC pallet to be labeled in accordance with labeling list L004 was also retained. As a result of this change, some mailers have discontinued the practice of making the mixed ADC and OMX separations when placing bundles of flat-size Periodicals directly on pallets. It was not the intent of the January 22, 2012 revision to eliminate the requirement to perform the OMX and mixed ADC separations. As a result, on June 29, 2012, the Postal Service published a proposed rule, *Federal Register* notice (77 FR 38759-38760), signaling its intent to change DMM standards to clarify that the mixed ADC and OMX separations must always be made.

Comments

The Postal Service received only one comment in response to the June 29, 2012 proposed rule, relating to the optional programs for mailers to merge bundles of flats from different price categories on pallets. This commenter requested that the Postal Service consider providing an option for mailers, creating merged pallets under DMM 705.10, 705.12 and 705.13, to place bundles directly on mixed ADC and OMX pallets, instead of requiring these bundles to be sacked. The Postal Service believes that the operational impact will be minimal if it extends the option for mailers using these optional programs. As a result, it will revise the DMM to extend this option to mailers using these advanced preparation programs.

The Postal Service hereby adopts the following changes to *Mailing Standards of the United States Postal Service*, Domestic Mail Manual (DMM),

incorporated by reference in the *Code of Federal Regulations*. See 39 CFR 111.1.

List of Subjects in 39 CFR Part 111

Administrative practice and procedure, Postal Service.

Accordingly, 39 CFR Part 111 is amended as follows:

PART 111 – [AMENDED]

1. The authority citation for 39 CFR Part 111 continues to read as follows:

Authority: 5 U.S.C. 552(a); 13 U.S.C 301-307; 18 U.S.C. 1692-1737; 39 U.S.C. 101, 401, 403, 404, 414, 416, 3001-3011, 3201-3219, 3403-3406, 3621, 3622, 3626, 3632, 3633 and 5001.

2. Revise the following sections of *Mailing Standards of the United States*

Postal Service, Domestic Mail Manual (DMM) as follows:

Mailing Standards of the United States Postal Service, Domestic Mail Manual (DMM)

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700 Special Standards

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705 Advanced Preparation and Special Postage Payment Systems

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8.0 Preparing Pallets

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8.10 Pallet Presort and Labeling

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8.10.2 Periodicals—Bundles, Sacks, or Trays

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[Revise the introductory paragraph of 8.10.2j as follows:]

j. *Origin Mixed ADC (OMX)*, optional for sacks and trays; allowed with no minimum and required at 100 pounds of mail for bundles of flats. Bundles of flats totaling less than 100 pounds in weight must be sacked if not palletized. Pallet may contain carrier route, automation price, and presorted price mail. Labeling:

* * * * *

[Revise the introductory paragraph and line 1 of 8.10.2k as follows:]

k. *Mixed ADC*, optional for sacks and trays; allowed with no minimum and required at 100 pounds of mail for bundles of flats. Bundles of flats totaling less than 100 pounds in weight must be sacked if not palletized. Pallet may contain carrier route, automation price, or presorted price mail. Pallets must not contain sacks, trays or bundles that should be properly placed on the origin mixed ADC (OMX) pallet. Labeling:

1. Line 1: “MXD” followed by the city, state, and ZIP Code information for facility serving 3-digit ZIP Code prefix of entry Post Office as shown in L009, Column A.

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10.0 Merging Bundles of Flats in Sacks and Pallets Using the

City State Product

10.1 Periodicals

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10.1.5 Pallet Preparation and Labeling

* * * Mailers must label pallets according to the Line 1 and Line 2 information listed below and under 8.6, Pallet Placards.

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[Delete 10.1.5g and 10.1.5h in their entirety and add a new 10.1.5g as follows:]

g. SCF through mixed ADC, use 8.10.2h through 8.10.2k, as applicable, to prepare and label SCF, ADC, Origin Mixed ADC (OMX) and mixed ADC pallet levels.

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12.0 Merging Bundles of Flats on Pallets Using a 5% Threshold

12.1 Periodicals

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12.1.5 Pallet Preparation and Labeling

* * * If a mailing contains no barcoded price pieces and the carrier route mailing and the nonbarcoded price mailing are irregular parcels, use "IRREG" for the processing category on the contents line of the pallet label.

* * * * *

[Delete 12.1.5h and 12.1.5i in their entirety and add a new 12.1.5h as follows:]

h. SCF through mixed ADC, use 8.10.2h through 8.10.2k, as applicable, to prepare and label SCF, ADC, Origin Mixed ADC (OMX) and mixed ADC pallet levels.

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13.0 Merging Bundles of Flats on Pallets Using the City State Product and a 5% Threshold

13.1 Periodicals

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13.1.5 Pallet Preparation and Labeling

* * * If a mailing contains no barcoded price pieces and the carrier route mailing and the nonbarcoded price mailing are irregular parcels, use “IRREG” for the processing category on the contents line of the pallet label.

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[Delete 13.1.5h and 13.1.5i in their entirety and add a new 13.1.5h as follows:]

h. *SCF through mixed ADC*, use 8.10.2h through 8.10.2k, as applicable, to prepare and label SCF, ADC, Origin Mixed ADC (OMX) and mixed ADC pallet levels.

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We will publish an appropriate amendment to 39 CFR Part 111 to reflect these changes.

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Attorney, Legal Policy and Legislative Advice.

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